

Oxfordshire County Council

Audit results report for the year ended 31 March 2013

10 September 2013

Ernst & Young LLP



Building a better
working world

Audit and Governance Committee
Oxfordshire County Council
County Hall
New Road
Oxford
OX1 1ND

10 September 2013

Dear Members

Audit results report

We are pleased to attach our audit results report for the forthcoming meeting of the Audit and Governance Committee. This report summarises our preliminary audit conclusion in relation to Oxfordshire County Council's (the Authority's) financial position and results of operations for 2012/13. We will issue our final conclusion after the Audit and Governance Committee scheduled for 18 September 2013.

The audit is designed to express an opinion on the 2012/13 financial statements, reach a conclusion on the Authority's arrangements for securing economy, efficiency and effectiveness in the use of resources, and address current statutory and regulatory requirements. This report contains our findings related to the areas of audit emphasis, our views on the Authority's accounting policies and judgments and material internal control findings.

This report is intended solely for the information and use of the Audit and Governance Committee and the Authority. It is not intended to be and should not be used by anyone other than these specified parties.

A copy of this report will be sent to the Audit Commission in accordance with the requirements of its Standing Guidance.

We welcome the opportunity to discuss the contents of this report with you at the Audit and Governance Committee meeting scheduled on 18 September 2013.

Yours faithfully

Maria Grindley
Director
For and on behalf of Ernst & Young LLP

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In March 2010 the Audit Commission issued a revised version of the ‘Statement of responsibilities of auditors and audited bodies’ (Statement of responsibilities). It is available from the Chief Executive of each audited body and via the [Audit Commission’s website](#).

The Statement of responsibilities serves as the formal terms of engagement between the Audit Commission’s appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The Standing Guidance serves as our terms of appointment as auditors appointed by the Audit Commission. The Standing Guidance sets out additional requirements that auditors must comply with, over and above those set out in the Code of Audit Practice 2010 (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Audit Results Report is prepared in the context of the Statement of responsibilities. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

1. Overview of the audit

The Authority is responsible for preparing and publishing its Statement of Accounts, accompanied by the Annual Governance Statement. In the Annual Governance Statement, the Authority reports publicly on the extent to which they comply with their own code of governance, including how they have monitored and evaluated the effectiveness of their governance arrangements in the year, and on any planned changes in the coming period. The Authority is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

As auditors we are responsible for:

- ▶ Forming an opinion on the financial statements;
- ▶ Forming a conclusion on the arrangements that the Authority has in place to secure economy, efficiency and effectiveness in its use of resources; and
- ▶ Undertaking any other work specified by the Audit Commission.

Summarised below are the conclusions from all elements of our work:

1.1 Financial statements

Following the performance of many of the procedures outlined in our audit planning report, we anticipate issuing an unqualified opinion on the Authority's financial statements.

Our main findings in relation to the area of significant risk included in our audit planning report are set out below.

Significant risks:

Significant risk1: 21 schools moved to academy status during 2012/13.

Audit findings and conclusions

- ▶ We have completed our work and gained assurance on:
 - > removal of the land and buildings from the property, plant and equipment balance;
 - > removal of pay from payroll costs; and
 - > removal of income from Dedicated Schools Grant (DSG).
- ▶ We have yet to complete our work on management arrangements and removal of other income and expenditure transactions from the Authority's accounts.

We have no issues to raise with you to date.

1.2 Economy, efficiency and effectiveness

Following the performance of the procedures outlined in our Audit planning report, we anticipate issuing an unqualified value for money conclusion.

1.3 Whole of Government accounts

We have yet to complete the work required to issue our report to the National Audit Office on the accuracy of the consolidation pack the Authority is required to prepare for the Whole of Government Accounts. We have no issues to report to date.

1.4 Control themes and observations

We have no significant control issues to report.

1.5 Summary of audit differences

We have no audit differences that we need to report at this stage.

1.6 Audit Certificate

The audit certificate is issued to demonstrate that the full requirements of the Audit Commission's Code of Audit (Practice) have been discharged for the relevant audit year. We expect to issue the audit certificate at the same time as the Audit Opinion.

2. Scope update

Our 2012/13 audit work has been undertaken in accordance with the Audit planning report issued on 17 April 2013 and is conducted in accordance with the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission.

Our work comprises a number of elements. In our Audit planning report, we provided an overview of our audit scope and approach for the audit of the financial statements, our conclusion on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources, and the work we are required to perform on the Whole of Government Accounts return.

We carried out our work in accordance with our Audit planning report.

3. Significant findings from the financial statement audit

In this section of our report we outline the main findings from our audit, including our conclusions on the areas of risk outlined in our Audit planning report.

Significant risk: 21 schools moved to academy status in the year to 31 March 2013.

Description

21 schools moved to academy status during 2012/13. This has had an impact on how you account for the schools property, plant and equipment (ppe), expenditure and income such as DSG.

Our approach has focused on:

- ▶ evaluating the management controls in place to ensure the appropriate accounting entries are made;
- ▶ undertaking testing to ensure that academy ppe is appropriately removed from the Balance sheet; and
- ▶ ensuring the Comprehensive Income and Expenditure Statement only includes amounts relating to LEA controlled schools.

Audit findings and conclusions

- ▶ We have completed our work and gained assurance on:
 - ▶ removal of the land and buildings from the property, plant and equipment balance;
 - ▶ removal of pay from payroll costs; and
 - ▶ removal of income from DSG.
- ▶ We have yet to complete our work on management arrangements and removal of other income and expenditure transactions from the Authority's accounts.

We have no issues to raise with you to date.

Other financial statement risk: Pension Valuations

Description

The financial statements include a number of significant valuations in respect of pension obligations. These include the estimated liability on the pension fund as well as movements and charges in year. These figures are accounting estimates with a high degree of uncertainty attached to them.

Findings and conclusion

We have yet to complete our work in this area. We have no issues to raise with you to date.

Other financial statement risk: Risk of misstatement due to fraud and error

Description

Management has the primary responsibility to prevent and detect fraud. It is important that management, with the oversight of those charged with governance, has put in place a culture of ethical behaviour and a strong control environment that both deters and prevents fraud.

Our responsibility is to plan and perform audits to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatements whether caused by error or fraud. As auditors, we approach each engagement with a questioning mind that accepts the possibility that a material misstatement due to fraud could occur, and design the appropriate procedures to consider such risk.

As auditors at each audit we must complete procedures to assess the risk of material misstatement due to fraud and error.

Audit findings and conclusions

We have largely completed our work in this area. Subject to completion procedures and final assurance from the Authority we have obtained sufficient assurance that the risk of material misstatement due to fraud and error is low. We have no issues to raise with you.

We are also required to report any other relevant matters to you. We have one other matter to report:

Area	Ernst & Young comments
Reliance on the work of Internal Audit.	We have liaised closely with Internal Audit during 2012/13. We agreed a detailed programme of reliance with Internal Audit and found the management team committed to effective liaison. However we did find that a number of areas of detailed work had to be re visited with further work still required before we can place reliance on all areas. We hope to place full reliance on Internal Audit work where agreed but this has been a protracted process.

4. Economy, efficiency and effectiveness

The Code of Audit Practice 2010 sets out our responsibility to satisfy ourselves that the Oxfordshire County Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. In examining the Oxfordshire County Council's corporate performance management and financial management arrangements we consider the following criteria and areas of focus specified by the Audit Commission:

- ▶ Arrangements for securing financial resilience – whether the Oxfordshire County Council has robust systems and processes to manage financial risks and opportunities effectively, and to secure a stable financial position to enable it to continue operating for the foreseeable future; and
- ▶ Arrangements for securing economy, efficiency and effectiveness – whether the Oxfordshire County Council is prioritising its resources within tighter budgets, for example by achieving cost reductions and improving efficiency and productivity.

We identified no significant risks to the criteria either in audit planning or as part of the audit. The table below presents the findings of our work in response to the other risks and areas of focus in our Audit planning report.

Other risks/area of focus:	Impacts arrangements for securing:	Key findings:
Achievement of savings plan		
The Council has a medium term plan for savings to achieve financial balance. The plans are risk rated and monitored on a number of levels. Achievement of the plans to date has been good however a risk remains around increasing financial pressure in the future.	Financial resilience	▶ The savings plan has been integrated into the annual budget. Achievement of the budget for 2012/13 has been good with no significant variances.
Changes to arrangements business rates		
From April 2013, there will be changes to the arrangements for business rates. These changes represent a significant change for the Council and bring both financial and reputational risks.	Economy, efficiency and effectiveness Financial resilience	▶ We have reviewed your arrangements for preparing for the change in business rates. We have no issues to raise with you.

5. Control themes and observations

As part of our work, we obtained sufficient understanding of internal control to plan our audit and determine the nature, timing and extent of testing. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you any significant deficiencies.

We have not identified any significant deficiencies in internal control.

We have completed a review of a set of severance cases with significant input from Internal Audit. We have found similar issues to those raised in previous reports. However it should be noted that the timing of the case referred to meant that it was completed prior to last year's issues being raised.

Description	Impact
<p>Review of the documentation supporting a severance case highlighted some weaknesses:</p> <ul style="list-style-type: none"> ▶ Lack of up to date completion of the 'Record of Decision'; ▶ No evidence of formal approval; and ▶ Lack of documented and costed options analysis. <p>Review of the underlying evidence did not highlight any concerns with the actual decision made.</p>	<p>Although we are not concerned with the outcomes of the case there is a lack of documented evidence to show that proper process was followed.</p>

5.1 Challenges for the coming year

Description	Impact
<p>Changes in key finance staff – change of section 151 officer</p>	<p>This is a key change to the finance team and its capacity at a time of significant challenge and development.</p>

6. Status of our work

6.1 Financial statement audit

Our audit work for our opinion on the Authority's financial statements is progressing. The following items were the key items outstanding at the date of this report.

Item	Actions to resolve	Responsibility
Property Plant and Equipment	Completion of work and testing	Ernst & Young
Review of management arrangements for ensuring accurate removal of academy non pay/DSG transactions	Completion of documentation and testing	Management Ernst & Young
Review of reserve accounts	Completion of work and testing	Ernst & Young
Firefighters' Pension Fund	Completion of work and testing	Ernst & Young
IAS19 pension disclosures	Completion of work and testing	Ernst & Young
Whole of Government Accounts	Completion of work and testing	Management Ernst & Young
Completion and review of file on finalisation	Final review of work and statements	Ernst & Young
Letter of representation	To be discussed at Audit and Governance Committee on 18 September 2013.	Management and Audit and Governance Committee
Final versions accounts	<ul style="list-style-type: none"> ▶ finalisation of amendments ▶ Approval of accounts by Audit and Governance Committee ▶ Accounts re-certified by Assistant Chief Executive and Chief Finance Officer 	Management, Audit and Governance Committee and Ernst & Young

On the basis of our work performed to date, we anticipate issuing an unqualified auditor's report on the Authority's financial statements. However, until we have completed our outstanding procedures, it is possible that further matters requiring amendment may arise.

6.2 Economy, efficiency and effectiveness

Our work in respect of our conclusion on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources is substantially complete.

The following items were outstanding at the date of this report:

Item	Actions to resolve	Responsibility
Documentation on comparison, unit cost and benchmarking review	Example to be provided and reviewed	Management Ernst & Young

We expect to present an unqualified value for money conclusion in regard to the Authority's arrangements to ensure economy, efficiency and effectiveness in its use of resources.

6.3 Objections

We have received no objections to the 2012/13 accounts from members of the public.

7. Fees update

A breakdown of our agreed fee is shown below.

	Proposed final fee 2012/13 £'000	Planned fee 2012/13 £'000	Scale fee 2012/13 £'000	Explanation of variance
Total Audit Fee – Code work	147,130	146,610	146,610	Severance case work
Certification of claims and returns	*	8,300	8,300	
Non-audit work	0	0	n/a	

Our proposed final fee includes an additional fee of £520 for overseeing severance case work completed by Internal Audit.

*Our fee for certification of grants and claims is yet to be finalised for 2012/13 and will be reported to those charged with governance within the Audit Certification Report for 2012/13.

We completed no non-audit work in 2012/13.

8. Summary of audit differences

In the normal course of any audit, we identify differences between amounts we believe should be recorded in the financial statements and amounts actually recorded. These differences are classified as either 'known' or 'judgemental'. Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

We have identified no amounts to date - individually or in aggregate - material to the presentation and disclosures of the financial statements for the year ended 31 March 2013.

We have identified a small number of known differences to the notes which have been corrected by management. We have not identified any differences which are significant enough to be reported within this report.

We have not identified any differences to date that management have not corrected.

9. Independence confirmation: update

We confirm there are no changes in our assessment of independence since our confirmation in our Audit planning report presented April 2013. We complied with the Ethical Standards for Auditors and the requirements of the Standing Guidance and in our professional judgement the firm is independent, and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning of regulatory and professional requirements.

We consider that our independence in this context is a matter that should be reviewed by both you and us. It is therefore important that you consider the facts of which you are aware and come to a view. If you wish to discuss any matters concerning our independence, we will be pleased to do so at the forthcoming meeting of the Audit and Governance Committee on 18 September 2013.

Appendix A Required communications with the Audit and Governance Committee

We must provide certain communications to the Audit and Governance Committee. These are:

Required communication	Reference
Terms of engagement	The Statement of responsibilities serves as the formal terms of engagement between the Audit Commission's appointed auditors and audited bodies.
Planning and audit approach Communication of the planned scope and timing of the audit including any limitations.	Audit planning report
Significant findings from the audit <ul style="list-style-type: none"> ▶ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▶ Significant difficulties, if any, encountered during the audit ▶ Significant matters, if any, arising from the audit that were discussed with management ▶ Written representations we are seeking ▶ Expected modifications to the audit report ▶ Other matters, if any, significant to the oversight of the financial reporting process 	Audit results report
Misstatements <ul style="list-style-type: none"> ▶ Uncorrected misstatements and their effect on our audit opinion ▶ The effect of uncorrected misstatements relating to prior periods ▶ A request that any uncorrected misstatement be corrected ▶ In writing, corrected significant misstatements 	Audit results report where required
Fraud <ul style="list-style-type: none"> ▶ Enquiries of the Audit and Governance Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the Authority ▶ Any fraud we have identified or information we have obtained that indicates that a fraud may exist ▶ A discussion of any other matters related to fraud 	Letter submitted April 2013
Related parties Significant matters arising during the audit in connection with the Authority's related parties including, when applicable: <ul style="list-style-type: none"> ▶ Non-disclosure by management ▶ Inappropriate authorisation and approval of transactions ▶ Disagreement over disclosures ▶ Non-compliance with laws and regulations ▶ Difficulty in identifying the party that ultimately controls the Authority 	Audit results report - but no issues arising to date
External confirmations <ul style="list-style-type: none"> ▶ Management's refusal for us to request confirmations ▶ Inability to obtain relevant and reliable audit evidence from other procedures 	Audit results report - but no issues arising to date

Required communication	Reference
<p>Consideration of laws and regulations</p> <ul style="list-style-type: none"> ▶ Audit findings regarding non-compliance where it is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off ▶ Enquiry of the Audit and Governance Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the committee may be aware of 	<p>Letter submitted April 2013 Letter of Representation</p>
<p>Independence</p> <p>Communication of all significant facts and matters that bear on Ernst & Young's objectivity and independence</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> ▶ The principal threats ▶ Safeguards adopted and their effectiveness ▶ An overall assessment of threats and safeguards ▶ Information about the general policies and process within the firm to maintain objectivity and independence 	<p>Audit planning report and update in section 9 of this report</p>
<p>Going concern</p> <p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> ▶ Whether the events or conditions constitute a material uncertainty ▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▶ The adequacy of related disclosures in the financial statements 	<p>Letter submitted April 2013 Discussion with officers and Audit & Governance Committee September 2013</p>
<p>Significant deficiencies in internal controls identified during the audit</p>	<p>Audit results report - but no issues arising to date</p>
<p>Opening Balances</p> <ul style="list-style-type: none"> ▶ Findings and issues regarding the opening balance of initial audits 	<p>Audit results report - but no issues arising to date</p>
<p>Fee reporting</p> <ul style="list-style-type: none"> ▶ Final, planned and scale fee broken down into the headings of Code audit work; certification of claims and returns; and any non-audit work (or a statement to confirm that no non-audit work has been undertaken for the Authority). 	<p>Audit planning report and Audit results report</p>
<p>Summary of certification work undertaken</p> <ul style="list-style-type: none"> ▶ Annual report to those charged with governance summarising the certification work undertaken 	<p>Annual Certification Report – to be issued January 2014</p>

Appendix B Letter of representation



**OXFORDSHIRE
COUNTY COUNCIL**

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Joanna Simons
Chief Executive

September 2013

This matter is being dealt with by Sue Scane
Email: sue.scane@oxfordshire.gov.uk

Direct Line: 01865 816399

Audit of Oxfordshire County Council for the 2012/13 year ended 31 March 2013

This representation letter is provided in connection with your audit of the financial statements of Oxfordshire County Council (“the Council”) for the year ended 31 March 2013. I recognise that obtaining representations from management concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the financial position of Oxfordshire County Council as of 31 March 2013 and of its expenditure and income for the year then ended in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13.

I understand that the purpose of your audit of the Council’s financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK and Ireland), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose – all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, I make the following representations, which are true to the best of my knowledge and belief, having made such inquiries as I considered necessary:

A. Financial Statements and Financial Records

1. I have fulfilled my responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with the Accounts and Audit Regulations (England) 2011 and CIPFA LASAAC Code of Practice on Local Authority

Accounting in the United Kingdom 2012/13.

2. I acknowledge my responsibility for the fair presentation of the financial statements. I believe the financial statements referred to above give a true and fair view of the financial position, and of its expenditure and income of the Council in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13 and are free of material misstatements, including omissions. I have approved the financial statements.
3. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.
4. I believe that the Council has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13 that are free from material misstatement, whether due to fraud or error.
5. There are no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.

B. Fraud

1. I acknowledge my responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.
2. I have disclosed to you the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud.
3. I have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Council's internal controls over financial reporting. In addition, I have no knowledge of any fraud or suspected fraud involving other employees in which the fraud could have a material effect on the financial statements. I have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistleblowers") which could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Council.

C. Compliance with Laws and Regulations

I have disclosed to you all known actual or suspected noncompliance with laws and regulations whose effects should be considered when preparing the financial statements.

D. Information Provided and Completeness of Information and Transactions

1. I have provided you with:
 - Access to all information of which I am aware that is relevant to the preparation of the financial statements such as records, documentation and other matters as agreed in terms of the audit engagement.
 - Additional information that you have requested for the purpose of the audit and
 - Unrestricted access to persons within the Council from whom you determined it

necessary to obtain audit evidence.

2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
3. I have made available to you all minutes of the meetings of the Council, Cabinet and Audit and Governance Committee (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting of the Council on 10 September 2013 and the Cabinet on 17 September 2013.
4. I confirm the completeness of information provided regarding the identification of related parties. I have disclosed to you the identity of the Council's related parties and all related party relationships and transactions of which I am aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the financial statements.
5. I have disclosed to you, and the Council has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

E. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
2. I have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. I have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent, and have disclosed in Note 66 to the financial statements all guarantees that the Council has given to third parties.
4. No other claims in connection with litigation have been or are expected to be received.

F. Subsequent Events

Other than the material post balance sheet events described in Note 67 to the financial statements, events subsequent to the end of the reporting period have been disclosed in the financial statements or notes thereto.

G. Accounting Estimates

1. I believe that the significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.
2. Accounting estimates recognised or disclosed in the financial statements:

- I believe the measurement processes, including related assumptions and models, used in determining accounting estimates is appropriate and the application of these processes is consistent.
- The disclosures relating to accounting estimates are complete and appropriate in accordance with the applicable financial reporting framework.
- The assumptions used in making accounting estimates appropriately reflects management's intent and ability to carry out specific courses of action on behalf of the Council, where relevant to the accounting estimates and disclosures.
- No subsequent event requires an adjustment to the accounting estimates and disclosures included in the financial statements.

H. Retirement benefits

On the basis of the process established by the Council and having made appropriate enquiries, I am satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with my knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

I. Taxes

I acknowledge my responsibility for the tax accounting methods adopted by the Council which have been consistently applied in the current period, and for the current year calculation of VAT and other taxes.

J. Use of the Work of an Expert

I agree with the findings of the experts engaged to evaluate the retirement benefit disclosures (Note 20) and the non-current assets (property) valuations (Note 29) and have adequately considered the qualifications of the experts in determining the amounts and disclosures included in the financial statements and the underlying accounting records. I did not give or cause any instructions to be given to the experts with respect to the values or amounts derived in an attempt to bias their work, and I am not otherwise aware of any matters that have had an effect on the independence or objectivity of the experts.

Yours sincerely,

Signed:

Name Sue Scane
Position Assistant Chief Executive and Chief Finance Officer

/

I confirm that this letter has been discussed and agreed at the Audit & Governance Committee on 18 September 2013.

Signed:

Name David Wilmshurst

Position Chairman of the Audit & Governance Committee

/

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